

ABSTRACT

A considerable body of research has developed on processes of neoliberal urban regeneration and gentrification. On the one hand there are many political economy accounts emphasising the role of economic capital in processes of urban change and gentrification. On the other hand, there is a wealth of governmentality studies on the art of government that fail to explain how ungovernable subjects develop. Similarly, within gentrification studies there are many accounts on the role of changing consumer lifestyles and defining gentrification, but less concern with the governance processes between actors in urban regeneration and gentrification. Yet such issues are of considerable importance given the role of the state in urban regeneration and dependence on private capital. This paper utilises the French Pragmatist approach of Boltanski and Thévenot (2006) to examine a case study state-led gentrification project. Boltanski and Thévenot (2006) argue that social co-ordination occurs by way of actors working through broader value-laden 'worlds of justification' that underpin processes of argumentation and co-ordination. The examined case study is a deprived area within an English city where a major state-led gentrification programme has been introduced. The rationale for the programme is based on the assumption that reducing deprivation relies upon substantially increasing the number of higher income earners. The paper concludes that market values have overridden broader civic values in the negotiation process, with this intensifying as the state internalised market crisis tendencies within the project. More broadly, there is a need for French Pragmatism to be more sensitive to the spatial processes of social co-ordination, which can be achieved through critical engagement with recent concepts of 'assemblages'.

INTRODUCTION

There is widespread understanding that neoliberal tendencies dominate urban areas. Smith (2002) argues that there has been a withdrawal of state Keynesian urban policies geared towards social redistribution and market regulation. These have been superseded by state programmes focused on free markets as optimum forms of resource allocation and social redistribution, private sector public service provision, consumer rights and choice, and the state providing the conditions for markets in the capital accumulation process. An important aspect of this is the role of urban spaces as mediators of neoliberal processes, particularly through urban governance bodies privileging economic capital in the production of urban spaces (Brenner, 2004). Of critical importance is the discursively constructed relationship between sustainable economic growth for city economies and the influx of more affluent communities (Smith, 2002).

Gentrification is an explicit mechanism by which cities are presented as sites of productive capital investment for economic actors, with the commodification of space for private consumption, and as a means in which cities can compete in the global economy (Hackworth, 2007). A key element of such processes has been the role of 'state-led gentrification' as a strategy to promote urban regeneration and competitiveness (Wyly and Hammel, 2005; Jones and Popke, 2010). For Shaw (2005), this is typically manifest in the state encouraging the influx of more affluent communities, whilst reducing the amount of state social housing. At the core of such an approach is the role of the state as a facilitator of market conditions and opportunities, rather than subordinator and director of the market (Lupton and Fuller, 2009).

This paper examines the interaction between the state, market and civil society in the development of a state-led urban regeneration programme in an English city. The case study remains anonymous because of the considerable political and social sensitivities surrounding the redevelopment, while access to interviewed stakeholders was granted on the condition that they and the city would remain anonymous. This risks de-contextualisation but anonymity ensures access to data and adheres to the principles established between researcher and subject (Becker and Bryman, 2004). The regeneration project seeks to create a more diverse income- and tenure-based community, encompassing the influx of more affluent owner occupiers and a net reduction in social housing, with the main agents of change being property developers. This necessitates a focus on the actual practices of social co-ordination in the negotiation, development and implementation of a regeneration project, particularly as the case study is characterised by ‘state-led gentrification’ activities working through market principles and actors. The paper subsequently utilises the French Pragmatist approach of Boltanski and Thévenot (2006) with its focus on ‘worlds of justification’. These worlds encompass values that actors draw upon during social interaction. In conclusion, the paper finds that market values have overridden broader civic values in the negotiation process, with this intensifying as the state internalised market crisis tendencies within the project.

GENTRIFICATION, NEOLIBERALISM AND ‘WORLDS OF JUSTIFICATION’

In recent times many gentrification studies have tended towards ‘consumptionist’ accounts on the role of changing cultures and consumer lifestyles in producing gentrification (e.g. Butler, 1997), as well as on-going and important discussions on the meaning of gentrification and the

examination of its impact on the poor (e.g. Lees, 2008; Davidson, 2009). Recent critiques of 'consumptionist' accounts by the likes of Davidson and Lees (2010) argue that they typically fail to appreciate displacement arising from highly contextualised sites produced by both place-specific and broader spatialised processes. They go on to argue for new definitions of gentrification that take account of the importance of place-specific power relations and processes of spatial commodification, particularly as the latter involves treating place as a commodity rather than a social arena. This importantly suggests a far greater engagement with the politics and social relations of actors, particularly in terms of the value motives propelling and underpinning negotiations, power relations and co-ordination.

One has to put such processes within the context of the increasing role of the state in processes of gentrification, both in terms of the encouragement of urban entrepreneurialism and the utilisation of diverse communities as a tool of social policy. Davidson (2008) argues that given the growing role of the state there is a need for greater conceptual and practical understanding of the nature of such gentrification processes, including the role of existing local communities. As he goes on to argue: 'Gentrification research must therefore proceed with an understanding of displacement as process and remain critical of the potential for injustice bound up in it' (Davidson, 2008: 2401). This necessitates a far greater engagement with the governance and politics of state-led gentrification, since this is the terrain in which decision-making ultimately produces gentrification, displacement and injustices (Lees et al, 2007). Indeed, for Uitermark et al (2007) there is a need to examine the 'governmental and institutional dimensions' of state-led gentrification, particularly because 'few authors have attempted a systemic explanation of why and how state agencies shape gentrification processes in different places and periods' (127). Similarly, Slater et al (2004) argues that the institutionalisation of gentrification into a political

rationality, and state programme of 'urban renaissance', requires far greater theoretical engagement with the governance of such processes and the 'operational goals of government agencies and their institutional partners' as suggested by Uitermark et al (2007: 127). This is critical given the need for the state to internalise, mediate and organise gentrification (Cameron and Doling, 1994).

As suggested by Lees et al (2007) there is also a need for greater examination of forms of resistance that remain evident in regeneration programmes. This requires enhanced conceptualisation of the practices and politics of urban regeneration (Rousseau, 2009). Of particular concern is the need to examine the complex processes of negotiation and co-ordination within material exchanges between the state, market and civil society, especially in regard to the commodification of space and differential power relations. A focus on these interactive dynamics is also critical for a number of broader reasons.

While market-biased forms of urban regeneration are key elements of the neoliberal tendencies constituting urban policy, such processes are not dominant. They work alongside alternative rationalities and institutional arrangements to produce place-specific contingencies and path dependencies (Brenner et al, 2010). Even within neoliberal tendencies there remain considerable contradictions, one of the most important of which is the need for market-based approaches to require strong state support, particularly in processes of gentrification (Hackworth and Smith, 2001). However, while the state is a generator of state strategies it cannot be the underwriter of such activity across 'state space'. As a social relation it is a site of contestation and struggle between different social forces working through the state, and thus state programmes are subject to critique and negotiation (MacLeod and Goodwin, 1999). State spaces should therefore be

viewed as process landscapes in that they are subject to on-going social practices, political contestation and struggle as agents mediate state strategies through place-specific path dependencies (Brenner, 2004).

While much is spoken of the critical role of non-neoliberal tendencies and place-specific path dependencies within studies of neoliberalism, we require greater conceptual understanding of the interactive practices in which such place-specific contingent conditions develop (Barnes, 2008). Many political economy orientated accounts emphasise the hegemonic role of economic capital in producing neoliberal tendencies and neoliberal urbanism. Such studies tend to focus on a relatively broad cohesive hegemonic project comprising tendencies deviating to different degrees within this framework (Castree, 2006). These accounts subsequently focus on divergence within a set framework, or 'syndrome', but lack any consideration of the role of mediating place-specific institutional circumstances in this process, and how such tendencies are constructed through interactive processes of dialogue, negotiation and argumentation (Fuller, 2010).

There is also a wealth of discourse-orientated, post-structuralist accounts that have been extensively deployed to examine the neoliberalisation of urban policy, but which lack conceptual understanding of the interactive practices of urban regeneration. One widespread approach is that of the governmentality perspective which emphasises dispersed power relations requiring nation states to work through social relations. Such accounts have sought to explain how state programmes and technologies allow the state to control action at a distance by regulating the conduct of citizens through the creation of subjectivities of self-regulatory behaviour (Herbert, 2005). The creation and deployment of knowledge and expertise by the state is critical in such forms of control as this permits dispersed agents to be organised (Schofield, 2002). Accounts

have generally explored the neoliberalisation of urban policy through nation states producing self-responsible citizens with ‘devolved responsibility’ for urban regeneration, as well as state expertise defining urban problems and modes of intervention (Raco and Imrie, 2000). States also act as ‘centres of calculation’ in which subjects have to incorporate many managerial technologies, such as strategic planning and ‘technologies of performance’ in urban regeneration (Herbert, 2005). These technologies control by way of calculating and making comparable the performance of subjects (Atkinson, 2003; Dikec, 2007). However, Fairclough (2005) argues that governmentality accounts fail to account for social practices, including their tendency to produce linguistic determinism. They also lack any emphasis on the complex practices and motives of interaction between the state, communities and private economic actors within state programmes (Allen, 2004). In doing so governmentality approaches typically struggle to explain how ungovernable subjects develop in practice, since they tend to emphasis homogenous state programmes (McKee, 2009).

The analysis outlined above illustrates the need for greater examination of the interactive processes of dialogue, negotiation and argumentation between disparate actors in neoliberal tendencies, including the motives and values of actors. It is with such issues in mind that this paper utilises the French Pragmatist theories of Boltanski and Thévenot (2006).

The insights of French Pragmatism

The recent French pragmatist approach of Boltanski and Thévenot (2006) examines the interactive processes underlying the creation of social co-ordination and order, and how actors challenge perceived injustices by drawing on different principles of justice. This framework was established in response to Bourdieu’s (1984) focus on actors being disposed to act according to

relatively homogenous dispositions, or habitus, and where actors are not subject to change over time within different social situations. They argue that many dispositions are within the arrangement of the situation, or *dispositif*. For Boltanski and Thévenot (2006) there are considerable disagreements characterising social co-ordination, or tests ('épreuves'), leading to questions about how these differences are permitted when universal action requires legitimacy, and how co-ordination and cohesion develops. Boltanski and Thévenot (2006) argue that societies are constituted by interdependent 'worlds of justification', or 'orders of worth', co-existing in the same social space, with actors drawing on these different orders during disputes and as a means by which to bring about social order (West and Davis, *forthcoming*).

For Boltanski and Thévenot (2006) the practices of argumentation in social life typically follow universal forms and mechanisms. Actors have to bring together and make connections between different actors, objects, and narratives in order to support and justify their critiques. They must articulate what these elements have in common and how they are connected in a congruent manner (termed a 'principle of equivalence'). There is a need for disputing actors to move towards common definitions of the applicable objects within a particular situation. In order to converge towards these commonalities actors must have a congruent capacity to establish the relevant objects for the situation and how they are connected. For Boltanski and Thévenot (2006) this requires a 'common definition of the form of generality which allows them to connect this situation with other ones identified as similar' (361).

They go on to argue that at the core of social disputes are disagreements concerning the 'worth', in relation to common good, of the different 'beings' within a particular situation. Actors consequently seek to convince others of the legitimacy and purposefulness of their critiques

which are based on the designation of worth and value to particular actors, social processes and objects (Boltanski and Thévenot, 2006). Boltanski and Thévenot (2006) recognise that actors utilise different critiques and justifications of worth as they move between disparate situations. Actors resort to certain conceptions of worth in reference to particular ‘worlds of justification’, or ‘orders of worth’, that structure social action and produce social order between actors. Worlds of justifications are historically produced assemblages of values, grammars, argumentative logics and non-human devices that are mechanisms ‘in which one expresses, embodies, understands, or represents other people’ (Boltanski and Thévenot, 2006: 132). ‘Worlds of justification’ provide systems of shared meaning for actors deriving from common values, with an identified common good that is consistent with the orders of worth that have been called upon. Such collective meanings influence how actors engage with other actors, interpret situations and work through interactions. The order involves public recognition of an acceptable social order orientated towards a ‘common good’ that relates to a tolerable distribution of resources and the co-ordination of actors (Lamont and Thévenot, 2000).

For Boltanski and Thévenot (2006), orders of worth are constituted by hierarchically scaled values associated with their common good. They are characterised by a ‘principle of equivalence’ that establishes a general association or equivalence between values, actors and objects, in reference to a normative common good. Higher order values are conventions that produce universal and stable forms of association between actors, and which order figures, concepts, materials and persons (Giauque 2004). There are a range of further categories that define subjects, objects, qualifiers (states of worthiness) and relations among beings. Within this framework non-human devices have a clear association with particular orders and consequently play an important role in processes of critiquing injustices, argumentation and justification.

In order to advance such a perspective Boltanski and Thévenot (2006) examined various political philosophy accounts that emphasise the importance of particular common goods in bringing together disparate societal members, and with each one encompassing different principles of equivalence that designate worth. These political philosophy texts are utilised to elucidate the ‘general grammars of political bond’ in which processes of critique and justification occur (366). For Boltanski and Thévenot (2006), the worlds of justification embedded within these political philosophies are ‘embodied in the objectified devices that make-up daily situations’, such as ‘polling stations, shop-floors, media, artistic shows and family ceremonies’ (366). Through empirical analysis of many social situations in France Boltanski and Thévenot (2006) have identified six worlds of justification that inform actors. These worlds are congruent with the most frequent and legitimate representations of justice and cultural models that have built up over time, and which actors utilise to justify their proposed actions in contemporary society. These are not homogenous entities with generic causal powers, but are historically constituted normative principles and values, common grammars and representations, and material objects that are utilised for evaluation and measurement of worth.

The identified worlds include, first, the world of ‘inspiration’ emphasising creativity, vision and inspiration. The ‘domestic’ world values respect for superiors and peers through loyalty, tradition, precedent, lineage and family. The world of ‘opinion’ values the opinion of others and recognition by a wider audience. The ‘industrial world’ values efficiency and standardisation through scientific approaches to the economic, including high technology, capital intensive industries and scientific rationality. The ‘merchant world’ values market principles between individuals with their focus on competition and profit in order to achieve personal goals. Within

the merchant world competition is the higher order value within a framework where actors and objects should be free. These actors seek to satisfy their needs through objective goods that are independent of all actors, and by way of market-based rather than personal relations. Finally, there is the 'civic world' of valuing the public sphere and service, collective goods, and the democratic operation of collective institutions where decisions are the expression of the general will of society.

In terms of the influence of 'worlds' on actors, Boltanski and Thévenot (2006) do not infer that actors draw upon the classical texts underpinning worlds in everyday life, or that they are firmly embedded in only one world, but that when actors critique injustices they 'act as practical metaphysicians and implicitly refer to philosophical vocabularies of justification that appeal to a common good' (Vandenbergh, 2006: 73). Actors make reference to conceptions of a 'good society' embedded within higher order values during dialogue and judgement (Eulriet, 2008). They interpret and justify their stances by bringing together the social situations in which they find themselves, with the relevant elements constituting historically produced orders of worth, within a process of evaluation where they must substantiate their arguments. Actors will seek reasoning that deems their actions universal and thus legitimate in conjunction with the order of worth they make reference to in this process. Their purpose is to validate the justifications they convey. This has the potential to produce conflict as agents can refer to different orders in processes of critique.

Disputes are characterised by processes of critique, or 'unveiling', as actors contest ('denature') the validity of orders of worth (Callinicos, 2006). This process of critique occurs through the validation of evidence, but where orders have different measures of verification and justification

in determining the legitimacy of actors and their positions. As there are no independent mechanisms lying between worlds to render justification, processes of critique make the resolution of conflict problematic, but for Boltanski and Thévenot (2006) this is important in conditions of justification as actors move beyond their initial order of worth, and the given situation, to adopt alternative orders in seeking justification. Tensions between different worlds are resolved through various means, including *compromises* in which conflicts are deferred. This occurs through ‘conventions’ that are objects with their own independent identity which produce a compromise and underpin co-operation between various actors and different worlds (Thévenot, 2001) (1). Nonetheless, such compromises are inherently unstable (Callinicos, 2006).

To summarise, urban redevelopment that is characterised by neoliberal tendencies requires more in-depth analysis of the interactive practices of governance. In the next section French Pragmatism is utilised to examine such dynamics by focusing on values and argumentative logics within social interaction. The analysis concentrates on the relations between civic and merchant worlds since these encompass values that lie at the centre of the nexus between the state, market and civil society in the case study. For Boltanski and Thévenot (2006) state bodies work through ‘civic worlds’ that are based on values of democratic institutions working for the general will of society and the provision of collective goods. However, this operates within the context of neoliberal state tendencies, promoting free market principles, which underpin the governance of urban areas as sites of neoliberal experimentation and conflict with ‘inherited’ neo-Keynesian collective service provision (Fuller and Geddes, 2008).

‘WORLDS OF JUSTIFICATION’ IN URBAN REGENERATION

The redevelopment programme centres on a peripheral area encompassing four housing estates, with a population of around 7,000 people. The area suffers from considerable levels of deprivation that resulted in the area acquiring New Deal for Communities funding in 2001. The redevelopment scheme aimed to demolish 1600 homes, to be replaced by 1600 owner occupiers and 1000 social housing units, representing a net reduction in social housing of around 700 homes. The development of the programme started in 2003 and was led by the ‘lead state’ agencies of a quasi-state arms length housing agency (as the main owner of social housing in the area), the New Deal for Communities partnership, and City Council (as land owner). These agents have sought to create a ‘convention’ through a redevelopment strategy that ties actors together in relatively stable relations, and which utilises a range of broader concepts and objects in which to justify the approach and dispel conflict.

The ‘Deconcentration thesis’ and the utilisation of civic orders

The lead state partners in the redevelopment have utilised the ‘deconcentration thesis’ as a mechanism in which to explain and situate deprivation (Imbroscio, 2008). At the core of such an argument is the belief that concentrated deprived communities produce deep-seated poverty. Within this concept large monolithic social housing estates and deficient housing market conditions are designated the cause of deprivation, discursively framed as ‘neighbourhood effects’ (Crump, 2002):

“unpopularity and condition of the housing stock in the area is a critical factor contributing to a poor environment and negative image, which in turn encourages

crime, deters private investment and causes many employers to regard residents from the areas as 'no hoppers' when they apply for jobs" (NDC, 2001: 45).

The role of poverty and that of broader structural processes, such as low skilled employment and changing industrial structures, are reduced in importance relative to the need for new private sector housing and a greater population mix (Allen et al, 2005). The rationale and processes of justification for these efforts are built on the understanding that while the state-led New Deal for Communities programme had a positive impact on the area (through principles of collective local civic representation and leadership) there remain more deep-seated problems (author's interview).

These discourses and policy stances were important in providing a means in which the state partners justified the greater transformation of the area through the market, rather than shorter term state funded programmes geared towards reducing poverty. Processes of argumentation by the lead state partners therefore centre on market values, although civic values have an important discursive role in producing resident buy-in. Common good is constructed as the large scale introduction of more affluent owner occupiers and the creation of a private housing market. There is thus a strong focus on consumers within an independent market as a solution to poverty, with the state facilitating the creation of a market (Allen, 2008). The lead state partners utilise largely US 'deconcentration thesis' concepts. These theories argue that reducing the concentration of poor households leads to revitalization by way of a greater income and tenure mix and a private housing market (author's interview), despite the lack of evidence suggesting that a greater mix reduces deprivation (Cheshire, 2007). This produces considerable dependence on structural market conditions and middle class housing demand and consumer tastes (Wyly and Hammel, 2005). One lead state official describes their approach as:

“I think it’s about sustainability of those communities over the long term and getting some picture of substantial market investment, changes in tenure mix and tenure balance but basically getting a thriving market to change the face of a neighbourhood over, as I say, a substantial sort of period of time.” (Author’s interview)

Mix is therefore defined by the lead state partners in economic terms of ‘symbolic capital’ (Bourdieu, 1984), namely income and tenure, rather than disparate social dimensions such as age, ethnicity and religion. Policy-makers view the more affluent as bringing wealth into the area by requiring new services that produce jobs for the poor and sustain local economies (author’s interview; Tunstall and Fention, 2006). Lead state partners also believe they convey new cultural norms by ‘demonstrating’ the benefits of working and self-regulation within the law, as well as bringing about new forms of social capital that produce self-responsibility and a sense of community obligation (Joseph et al, 2007). All these conditions are premised on the understanding that they equate to (monetary) capital wealth.

This suggests a possible relationship between market and civic values. As argued by Fuller and Geddes (2008), devolved responsibility to communities under New Labour’s neoliberal urban policy tendencies was geared towards promoting greater collective community responsibility. Within the case study it is clear that while civic values of collective responsibility are evident they are rhetorically and materially peripheral to the stronger role of market values in guiding the project, as discussed in greater depth below. Community involvement is not a major prerequisite or driving force, since the main partners are local state bodies and private developers, rather than communities. Similarly, while the lead agencies believe that more affluent communities will produce greater community responsibility through improved social capital, this is not a fundamental objective. The main aims are to demonstrate the monetary and material benefits

from employment to the poor, and the need for affluent communities to financially sustain improvements through service usage.

Differences between more affluent incomers and the existing 'deprived' communities is constructed in terms of market values, those that have economic capital are more hegemonic as they have the ability to regenerate, which should be understood in terms of the power of their 'symbolic capital' (see Davidson, 2010): *'The regeneration will also attract new people who want to come and live in the area and give a balance that the community needs to ensure that the improvements are sustained'* (NDC, 2006). Differences between existing and incoming residents is therefore pitched solely in terms of economic capital, rather than other attributes. However, it is the power of this symbolic capital in the form of regeneration which has been important in acquiring resident support for the project (Rousseau, 2010).

Particular NDC board members, including city councillors and third sector bodies, were vocal at the start of the masterplanning process in fearing the demise of people-based interventions, such as training programmes (author's interview). Their civic stance was one in which the redevelopment programme would favour housing and the environment, and not address underlying social problems. The lead state partners, as members of the NDC board, were able to dispel such arguments by reverting to the need for large scale transformation as a social necessity. They argued that only the wholesale introduction of substantial amounts of private housing would produce a transformation towards less concentrated deprivation, as one lead state official notes:

“If we do little iddy, diddy bits all over the place we have found there is little achieved. It is like the Forth Bridge, in that it always has to be painted. By the time you’ve finished you’re back starting at the beginning again, unless you can have a real momentum and a driver and a transformation impact on the local area.”
(Author’s interview)

This is an argument that was subsequently used to validate masterplanning that seeks to be all encompassing by mapping-out the future built environment of the area. Major change was further constructed and justified by referring to civic values of sustained social and environmental improvements and broader opportunities for existing residents:

‘[major redevelopment] harnesses the natural assets of the sites and aspirations of the existing community to create a place, which adds value, not only commercially but also environmentally and socially. A place, which is affordable, enjoyable to be in, and lasting for the people who live here, and which is inclusive, inspiring and achievable’.
(Masterplanning Prospectus, 2006)

In addition, there are obvious concerns with gentrification amongst indigenous residents in the area (CLG, 2009). It is at this point where there are tensions that had to be resolved. There is a process of implicit demonization by the main decision-makers as the area is presented as a site of deprivation where ‘good’ citizens are detrimentally affected by deviant populations, and where major redevelopment will resolve such problems by introducing further good citizens that civilise (Uitermark et al, 2007). This is explicit within NDC documentation on the redevelopment such as in the NDC Delivery Plan (2004-07) where: *‘progressing the Masterplan and its implementation’* is directly related to the creation of a *‘normal community’* (NDC, 2004: 4). Such a normal community is defined in terms of opposing contemporary conditions based on a range of deviant individuals and activities amongst the local population, including a place where residents are *‘no longer victims of crime or too afraid to go out’*, *‘have positive things to do’*, *‘don’t wake up to see boarded up houses or burnt out cars’*, and *‘respect our neighbours and are*

respected by others' (NDC, 2004: 4). Such arguments can produce resentment amongst local populations, leading to the main stakeholders conveying an argument of 'improvement' to the local population, rather than the infusion of more affluent communities to produce greater mix and thus gentrification. As one stakeholder notes:

“to be perfectly honest, going out speaking to members of the public I have great concerns about using that kind of language [diverse communities], ... they'll actually think it's quite patronisingbasically, if you go out there, and say something like that, and they'll say “so what you saying then? – we're a crap area? – we can't look after ourselves? – we're just a bunch of, you know?” (Author's interview)

It is through reference to these civic values that the scheme has dispelled any major resistance. For Loopmans et al (2010) such social mixing strategies can be encompassed within Gramsci's notion of 'passive revolution' as they incorporate potential resistance and counter-hegemonic tendencies by internalising their claims, but not changing the overall strategy. During the consultation process in 2003-4 three 'Examples' for redevelopment were devised, each with greater levels of change, with Example 1 the “do minimum” option, while Example 3 represented major redevelopment. This 'major transformation' option was projected by the lead stakeholders as the only viable market option for the area and the best opportunity to achieve the community's objectives (author's interview). Residents subsequently supported the more radical Example 3 on the understanding that the benefits would be more widespread.

Importance of the market

While urban state officials utilise civic values and arguments to justify their approach, a more important stance relates to the market being constructed and presented as the only means of bringing about change and providing social housing, and with the role of the state limited to a market facilitator. Indeed, such market constructs are central to creating the parameters of the

programme and are thus used to develop and ultimately constrain the aspirations of residents. The overarching justification for the approach is of a belief in the market as an efficient mechanism to address long term transformation in urban regeneration through the provision of large-scale housing capital investment, and working through and legitimised by a partnership with the state. As one state partner notes:

“The market is much more effective at raising money, so much more effective at using the money in that kind of way instead of the public sector coming piggy back on commercially driven schemes, then you can control that traditionally the private sectors been – certainly the public sectors not been very good at – like cost overage and failure to budget effectively for these things.” (Author’s interview)

The creation of successfully operating housing markets based on consumer preferences has been equated with ‘sustained’ prosperity, community cohesion and social stability (Allen, 2008). As one lead state manager argues: *“The more people you can put in with some aspiration you can actually stimulate the whole community.... with 50% of the [owner occupier] people living in the area injecting anything up to two hundred thousand pound to come and live here, that’s got to drag some wealth into the area, which hopefully will lift everybody’s aspirations” (author’s interview).*

Dependence on economic capital, and thus much broader dynamics in global capital flows, is fundamental to the redevelopment. The scheme involves publicly owned land as assets being offered to private sector investors for the building of owner-occupier housing, with capital receipts from these sales funding new social housing. Capital receipts from the latter pay for much smaller amounts of social housing, with a net reduction in the latter as they make way for owner-occupiers. Through market contingency the strategic and financial parameters of actors and the nature of urban regeneration is constructed. Programme managers adopt a stance in

which their role is to pump-prime the market, providing the conditions in which the market can operate and assisting the private sector in the capital accumulation process through the provision of land, and internalising many of the costs associated with development (author's interview; Lupton and Fuller, 2009). The main quasi-state housing body is the owner of the vast majority of properties in the area and funds housing demolitions and the management of the programme. The city council as the main land owner in the area is supplying land to the developers, with no direct capital receipts for this transfer just the supply of new private and social housing. The main state bodies internalise the vast majority of redevelopment costs in the initial stages of the redevelopment, with the developer paying for the majority of costs once the programme is complete (2). This relies upon the programme being completed and the 'financial model' constructed for the redevelopment being able to correctly model complex market dynamics, including house prices, material and labour costs, and the availability of finance for homebuyers.

Through processes of dialogue with lead state officials and developers the appeal of market forms of delivery has been compelling for residents. Where there was disquiet and contestation the objections of residents have been quashed, with the main stakeholders relating market principles of profit and efficiency to civic values of collective community benefit. The construction and utilisation of market values to justify private sector-led redevelopment was projected through the argument that there is a lack of public sector funding, and therefore it is the only way in which regeneration will occur (author's interview). A further justification through market values is one in which urban state actors argue that large scale capital investments in community facilities and services are not possible through "*very limited*" public sector monies (author's interview). A market approach is accordingly constructed and justified in reference to the positive implications for civic values of community cohesion and collective quality of life, which arise from a

proposed investment in a country park and other environmental enhancements, improved connectivity to new employment sites outside the area, and the linking of training and employment opportunities to the housing construction process. These improvements will be funded by receipts from developers and are thus highly contingent on middle class market demand and broader structural conditions in the economy. The argument presented to residents has been that through market provision of community improvements population mix will be created and sustained, which will improve their quality of life (author's interview). However, there has been no comprehensive discussion or development of a strategy to promote social mix once new residents have moved into the area. As with the faith in markets this is being left to endogenous processes arising from diverse tenure within close spatial proximity, and which does not require any form of state intervention.

Such processes have been compounded by the broader subordination of residents and civic values by market values. One key element of this is the belief in the 'global economy' as a set of processes beyond the control of communities, as one resident notes: "*There is not much we can do...what with globalisation and all that, we have no control over the housing market*" (author's interview). These processes of subordination are reinforced more directly through consultation processes that have been directed by the market values influencing developers. One developer notes that there was pressure from partners, and particularly from the NDC, to talk with residents by "*having a communications committee and X, Y and Z*" (author's interview). This approach differed to that desired by the developers: "*if you do that, you're starting to lead people to think that the food's going to be arriving on the table shortly and it's still roaming round the fields, so don't; you know we're a bit too early in the consultation process*" (author's interview). This

resulted in only one consultation body developing, the ‘Regeneration Action Team’, with certain residents believing this body is a “*tick box exercise*” for the lead partners (author’s interview).

In justifying this major transformative programme through market values urban state actors are vulnerable to inconsistencies in their justifications, but ultimately they have to remain committed to market principles which can produce detrimental conditions for the success of the regeneration programme. While the state views the programme as a means to bring about urban revitalisation through the market, the need to create a profit (as a foundation of the capital accumulation process) mediates the significance of creating a housing mix for private developers. Market values are embedded within the jointly developed ‘financial model’ for the programme, as are the broader conditions within the economy and the fundamental need for developers to make a profit. The financial model is based on market principles and objects, including house price projections, costs of materials, levels of demand and socio-economic profile, expected house sales and future economic development projections. By reverting to market values for regeneration the scale and nature of social housing is contingent on these market dynamics, as well as the financial well-being and strategies of developers. The ultimate decision concerning the amount of social housing relates to what can be afforded by developers given financial conditions within the financial model and the broader conditions of the global market economy, such as housing and raw material prices, which suggests that such structural processes are critical in processes of urban change (Smith, 2002). The model has subsequently been used to justify reductions in the level of social housing, as well as higher levels of density, by developers.

A further issue is ‘overage’, the term used to describe additional income from developments. Negotiations around overage led to the ‘first call’ on overage going to the developer, with urban

state actors splitting the remaining overage between the social housing body, NDC and Council. On the one hand, this means that market values and principles result in the private sector taking a large amount of overage; while on the other hand, these are monies that were to be used to pay back the NDC for their investment in early demolitions and other activities, and they are thus vulnerable to no reimbursements if the scheme produces no overage. The developers were able to justify their stance through the concept of ‘profit’ being fundamental to the market justification used to legitimise a large scale urban regeneration programme. Correspondingly, this relates to the constraints arising from broader structural conditions in market economies that developers internalise. With the market argued to be the only mechanism with sufficient efficiency to deliver, the state and urban spaces have to adhere to market principles that are based on the need to make a profit. Developers were able to further justify this position with regard to the public sector not appreciating risk in the market. Private actors argued that they are the main carriers of risk and potential ‘underage’ in the programme because they would build owner occupier housing in a deprived area where many factors militated against sales. A typical argumentative stance was one in which: *“we aren’t here just to hedge your bets, you know, we can’t be seen as an off balance sheet transaction whereby you know, all the losses are ours and all the gains are yours because it just doesn’t work that way” (author’s interview).*

The financial crisis, new forms of justification and the state

At the start of 2008 it became clear to the public sector partners that developers were starting to experience a slowdown in the housing market arising from broader structural changes in the global economy, which were producing a ‘financial crisis’ as mortgage derivatives collapsed with recessionary processes detrimentally impacting upon household incomes. This led to a series of meetings to discuss the future viability of the programme. Discussions were initiated by

developers rather than urban state officials, and were constructed and justified by way of market values rather than civic values of social justice, particularly in terms of thinking of ways in which the increasingly unfeasible financial model could be resolved, whilst not making commitments about how that could occur. As one developer argues:

“some partners say ‘oh it’s alright it’s just a short term blip, it’ll all come right’ and I’m saying “well yeah but actually, if it doesn’t I don’t want to be having this conversation when all the residents are screaming at us” saying “when are you starting work” and me saying “actually we’re not.” We’ve got to have a conversation about how, about the what if’s, it isn’t in the framework you know, the contract is a normal contract, if doesn’t stack viability wise, it doesn’t stack but I don’t think that’s basically a cogent response to the residents frankly and I think we need to come up with an alternative solution.”(Author’s interview)

This situation progressed to a point where it was clear that the financial viability of the scheme was far weaker, with developers not wishing to move forward. The costs and value assumptions underpinning the ‘financial model’ were increasingly unfeasible, with 2008 estimates suggesting a major deficit in Phase 1 of the development. This led to the project lacking financial viability at the scale originally envisaged.

At this point there was tension between the developers and state partners. For the lead state partners the financial model is based on artificial cost modelling, meaning that a decreasing market does not necessarily equate to an unfeasible development (author’s interview). While it was based on a “year’s work” of legal negotiations the financial model was argued by developers to be an “open book” transaction “based on a series of assumptions” on what will take place in a strong housing market which no longer exists (author’s interview). Discursive downgrading of the financial model to a loose set of assumptions, rather than a concrete framework was critical in justifying why the development should not go ahead in its original form. Developers also sought

to highlight the market risks they had internalised to move the project forward. One notable argument is that of the site not being financially viable because of the significant costs required for redevelopment in a deprived area, and with a target housing buying market that will potentially have adverse credit histories, and thus the availability of finance and sales price resilience is weak. Developers also justified their position with regard to the inability to produce the urban regeneration desired by urban state officials and residents, given declining global capital funding in the housing market and recessionary conditions. They thus sought to utilise civic values and arguments:

“the red line from the partner’s point of view was you can’t go below a 1,000 units in terms of social housing units. For us it was a case of, well actually you know, fine but we’ve still got to pay for it and the only way we can pay for it is, we either build more houses and that becomes a bit of a vicious circle because the more houses you build, the greater the density, the smaller the units, the less likelihood that you’re going to get a transformational you know, raising of the area as such and so you start to get into a diminishing returns type scenario.” (Author’s interview)

Developers have subsequently supported the move to state intervention, largely because they recognise that the financial model is unable to take forward these developments. The overarching dependence on the private sector has been replaced by regeneration that is contingent on public sector leadership and resources. When it became clear that the developers would not be able to undertake the development in 2008 the lead state partners sought to act quickly and develop a strategy to acquire government funding in the early months of the financial crisis, resulting in government intervention as the development was categorised as a key regional priority.

It would be easy to revert back to the belief that state intervention represents a movement towards a greater role for civic values and principles. This is not the case as the state is only providing

short term pump-priming funding, whilst arguing that longer term market solutions are required, and that its role is one of supporting the market during a period of financial and economic upheaval (author's interview). The redevelopment is now only focused on phase 1A which is centred on 622 homes over a five year period starting in April 2010, and with no overt plan to move forward to redevelop the remaining 2400 homes. Public sector funding is only geared towards the first phase (1A1) of 150 homes, two-thirds of which are owner occupier and one-third social housing. The short term nature of the development derives partly from the desire of the partners to ensure a start is made, and with a belief that once this phase is complete the housing market could have improved. Progression into phase 1A2 is dependent on the viability of the earlier phase 1A1 which derives from the ability of developers to sell private housing.

The developers justify their lack of commitment to the full programme by arguing that any market data, produced either internally or externally, is only viable for a short period of time given the changes taking place in the economy and housing prices. Urban state officials, with their allegiance to market values, have to follow this argument. They justified this by arguing that the housing market will return to strength by 2010-11, and that if this phase is achievable then there will be people buying housing and it will be possible to have a building programme that relates to housing market demand (author's interview). There is a working assumption that if the housing market improves then the "*original deal could fall back into place*", with overage from property sales sustaining social housing and with no requirement for state funding (author's interview). In the face of declining housing market conditions market values equating to private forms of provision and demand therefore remain the driving force behind the regeneration programme.

CONCLUSION

This paper examines the recent efforts of urban state actors to address deep-seated poverty by way of a state-led gentrification project. Through the utilisation of French Pragmatism it is evident that existing and constructed market values relating to merchant orders of worth have overridden civic values and principles, and that this intensified as the state internalised market crisis tendencies. More broadly, the analysis illustrates the strength of Boltanski and Thévenot's (2006) conceptual framework in examining how actors seek to dominate other actors in creating social co-ordination, and in doing so provides important insights for studies of hegemonic conditions. For instance, neo-Gramscian conceptualisations of hegemony involve social forces acquiring the consent of other social groups through dominant ideologies that produce everyday 'common sense', which relates to common goals and shared interests. Such common sense is embedded within the everyday life of subordinate groups and is characterised by dominant actors encompassing or subordinating adversarial values to ensure compliance of resistant actors. Hegemonic conditions have to therefore be constantly produced as they interact with competing ideologies and values, suggesting a need for a conceptual framework geared towards situation-specific processes of interaction (Jessop, 2002). Similarly, while governmentality studies provide conceptual insights into the 'art of government', many fail to account for the difference between governing rationalities and actual material reality, such as the role of resistant agents. In response, McKee (2009) has highlighted the conceptual strengths of a 'realist governmentality' geared towards empirical analysis of context-specific micro social relations. While such suggestions are commendable there is a lack of explanation regarding how such an approach can be fully conceptualised.

One way to address these issues is through the conceptual insights of French Pragmatism. This provides a means in which to examine the interactions between, and within, state programmes and locally-contingent sites of governing practice and everyday life. The advantages of French Pragmatism lie in an understanding that it is the interactive processes of negotiation, argumentation and justification between actors that underpin social co-ordination, including dominant forces conveying ‘common sense’, creating subjects, and producing compliance and order. In particular, the approach provides a conceptual framework in which to examine the ‘everyday sense of justice’ and situation-specific production of such consent through on-going negotiation and justification, and the construction and attribution of worth to objects and actions by actors seeking to influence, direct and subordinate other actors (Boltanski and Thévenot 2006). This relates to an understanding that the values, principles and objects produced in relation to ‘worlds of justification’ are emergent properties within individual situations, rather than being embedded within habitus, institutions, organisations or subjects. Critical elements of this include the role of actors in evaluating worth in relation to a common good, and having to produce cohesive assemblages of principles, actors and non-human objects to support their critiques and justifications. Social agreement and co-ordination is ultimately achieved through repeated testing of the consistency of orders of worth and assemblages that underpin social actions, and as such the approach is concerned with the constant production of hegemonic conditions in reference to the interactive and on-going production of values. In conclusion, the approach presents conceptual insights into the interactions between actors that underpin social co-ordination, the importance of assemblages of human and non-human objects in such processes, and the recognition that it is within individual on-going situations that hegemonic conditions arise and reproduce.

However, despite the theoretical advances of French Pragmatism there is little conceptualisation of the role of space in the construction of social relations, and the role of social relations in the production of space. For Allen and Cochrane (2007), practice is attached to social relations that are spatial in nature. As Barnes (2008) argues, the social relations producing practice and power relations are intrinsically created through interwoven and spatially differentiated forces that happen to converge in particular places. Allen and Cochrane (2007; 2010) have correspondingly argued that assemblages of actors, working through heterogeneous spaces and networks, are 'lodged' in particular spaces by way of mediated real time relations which are enacted by proximity or at distance. Governing spaces represent 'an interplay of forces where a range of actors mobilize, enrol, translate, channel, broker and bridge in ways that make different kinds of government possible' (Allen and Cochrane, 2007: 1171). Building upon Allen and Cochrane (2010) it is possible to view the case study as being characterised by the hegemonic position of market values, developed through processes of justification, which produces an 'assemblage' characterised by both close and distant social relations. Close relations relate to urban state officials drawing upon and influenced by place-specific discourses, materialities and practices, such as a common perspective that state interventions have failed to completely regenerate the area because of a series of inherent place-specific factors. Distant relations work through developers engaged in national housing markets and the role of broader economic processes determining the financial crisis, as well as the importance of central government guidance promoting diverse communities through market measures as a solution to empirically valid 'neighbourhood effects'.

These sites of urban networked governance thus occupy a mediating position between the nation state, market and citizens. They present a space where differing actors and orders come together in an argumentative manner as they seek to justify their position to other actors. This is therefore a political space of negotiation where the contradictions between altered material conditions (relating to state support for further marketization) can be denounced. However, these social relations are maintained by way of merchant orders being invoked to justify and convince actors to follow these principles. It is through such a spatialisation of the worlds of justification approach that French Pragmatism can be utilised as a powerful conceptual tool to understand spatial processes of social co-ordination.

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FOOTNOTE

- (1) An example of a convention could be an urban regeneration strategy that brings together a belief in market-based interventions ('merchant orders'), but with strong levels of societal accountability through the state ('civic world').

- (2) Total spend for the project was expected to be £360m, the vast majority of which would come from developers (c.£300m), but with developers gaining considerable profits and agreed overage. The developer has responsibility for the acquisition of owner occupied properties, residents' moving compensation costs and compensation to retail unit occupiers.